

Asset Management Industry Sector Presentation

June 2018

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**Money
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AUMs

No. of funds

SMA

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Outline

- **Stock Market Performance**
- **Money Market Review**
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Pakistan –Asset Management Industry



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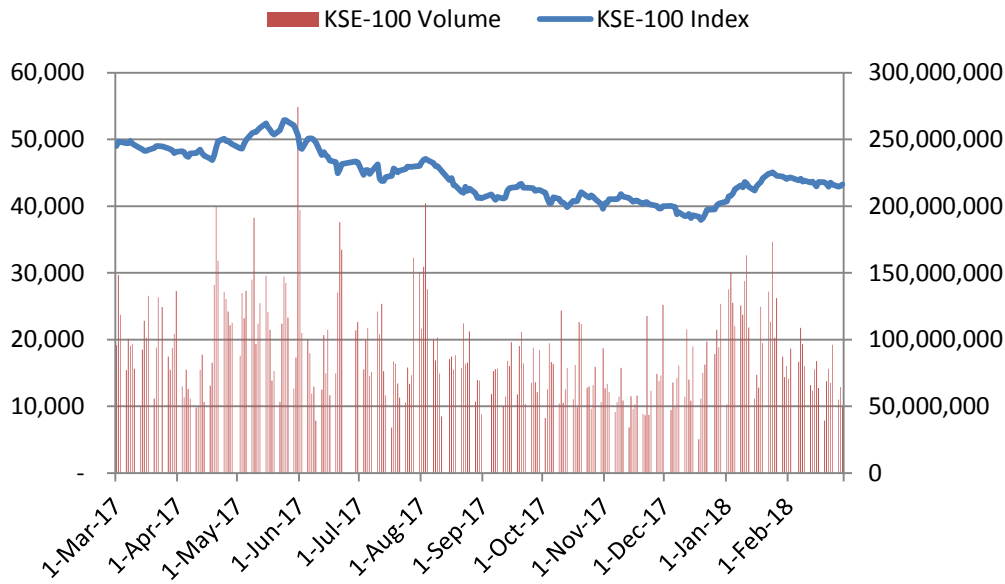
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KSE-100 Performance

KSE-100 Index declined by 11% during Mar-17 to Feb-18.



- Pakistan stocks traded lack lustre during Mar17 – Feb18, on the back of political noise, continues foreign selling, depleting forex reserves, and increasing current account deficit.
- During the period, Pakistan achieved emerging status and initially got 0.10% weight in MSCI emerging market index.
- Market witnessed ~ \$500m foreign flows due to MSCI inclusion.
- Due to political uncertainty and economical turmoil, foreign investors remained cautious during the period and waiting for general election and overdue depreciation of PKR.

	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
Avg monthly volume (mn)	100	99	95	93	92	90	88	86	86	88	86	84
Avg monthly Index	48,869	48,394	51,192	37,637	39,092	39,742	40,077	40,947	42,420	39,141	43,367	43,535

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Top 10 scrips (KSE 100- Index)

Top 10 stocks		
PAKT	Pakistan Tobacco Co Ltd	73%
COLG	Colgate Palmolive	57%
DCR	Dolmen City REIT	40%
POL	Pakistan Oilfields Ltd	38%
NESTLE	Nestle Pakistan Ltd	35%
PMPK	Philip Morris Pakistan Ltd	31%
MTL	Millat Tractors	29%
BAHL	Bank Al Habib Limited	25%
MEBL	Meezan Bank Limited	25%
SHFA	Shifa International Hospitals	25%

Positive Index contributors

Exploration and Production sector: E&P companies were the top contributors to KSE-100 due to increase in international crude oil prices and expectation of PKR depreciation as their returns are dollar denominated.

Consumer Goods sector: Companies operating in the sector induced gains in the period on the back of rapid urbanization and population growth rate, which drove the demand.

Negative Index contributors

Banking sector: Banks were the top losers of the period, as HBL stock price plunged on the back of potential penalty imposed by US SEC. Trend followed by the other banks due to investors negative sentiment about the sector, emerge from the threat of increased scrutiny on banking transaction and operations.

Cement sector: Oversupply threat, hike in coal prices and massive foreign selling dragged the cement stocks.

Sector-Wise Portfolio Investments

	Feb-18			Jan-18			Mar-17 – Feb-18			(CY 17)		
PKR mln	Gross Buy	Gross Sell	Net Buy / (sell)	Gross Buy	Gross Sell	Net Buy / (sell)	Gross Buy	Gross Sell	Net Buy / (sell)	Gross Buy	Gross Sell	Net Buy / (sell)
Individuals	1221	(1222)	(1)	1894	(1878)	16	20267	(20320)	(53)	23965	(24039)	(73)
Companies	84	(77)	(8)	117	(143)	26	1379	(1301)	78	1611	(1474)	136
Banks / DFIs	47	(55)	(8)	74	(125)	(50)	999	(1025)	(26)	1236	(1255)	(19)
NBFC	2	(5)	(3)	9	(4)	5	49	(57)	(8)	53	(67)	(14)
Mutual Funds	123	(145)	(21)	189	(201)	12	2207	(2117)	90	2583	(2367)	217
Other Organisations	41	(25)	15	50	(51)	(1)	364	(320)	44	408	(360)	48
Broker Proprietary	306	(302)	3	461	(461)	-	4972	(4976)	(4)	5603	(5602)	1
Insurance Companies	72	(34)	38	85	(101)	(17)	860	(686)	173	854	(663)	191
Net Local Portfolio Investments	1896	(1864)	32	2879	(2964)	(85)	31096	(30802)	294	36312	(35825)	487
Foreign Individuals	2	(1)	1	2	(1)	1	14	(14)	-	15	17	(2)
Foreign Corporates	116	(155)	(39)	223	143	80	3,245	(3,561)	(316)	3,433	(3,919)	(486)
Overseas Pakistani	69	(62)	7	91	(87)	4	881	(860)	21	995	(994)	1
Total Foreign Portfolio Investments	186	218	(32)	316	(231)	85	4,141	(4,435)	(294)	4,443	(4,930)	(487)

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Global Indexes

Top 5 Indexes				
Market	Index	Monthly Return		Yearly Return
		Feb-18	Jan-18	CYTD
Ghana	GSE	8%	19%	29%
Ukraine	UX	4%	6%	10%
Veitnam	VNINDEX	1%	13%	14%
Egypton	EGX	3%	0.2%	3%
Bosnia	SASEX-10	5%	9%	14%

Bottom 5 Indexes				
Market	Index	Monthly Return		Yearly Return
		Feb-18	Jan-18	CYTD
Poland	WIG-20	-7%	4%	-4%
Luxembourg	LuxX	-3%	5%	2%
England	FTSE-100	-4%	-2%	-6%
Germany	DAX	-6%	2%	-4%
Japan	NIKKEI-225	-4%	1%	-3%

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Market Treasury Bills

Auction Month	Bids Received (PKR bln)	Total Realized Amount (PKR bln)	Weighted Average Yield (%)		
			3-Month	6-Month	12-Month
Oct-17	1820	1554	5.991	6.0109	No Bid Received
Nov-17	1911	1335	5.991	6.0109	No Bid Received
Dec-17	825	712	5.991	6.0109	No Bid Received
Total	4556	3601			

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Pakistan Investment Bonds

Auction Settlement Month	Maturity Period	Bids Received (PKR bln)	Total Realized Amount (PKR bln)	Coupon Rate (%)	Cut - Off Yield (%)
Oct-17	3 year	21.7	-	7	-
	5 year	1.5	-	7.75	-
	10 year	1.6	-	8.75	-
Nov-17	3 year	19.0	-	7	-
	5 year	2.0	-	7.75	-
	10 year	2.7	-	8.75	-
Dec-17	3 year	3.5	-	7	-
	5 year	0.5	-	7.75	-
	10 year	2.2	-	8.75	-
	Total	54.6	-		

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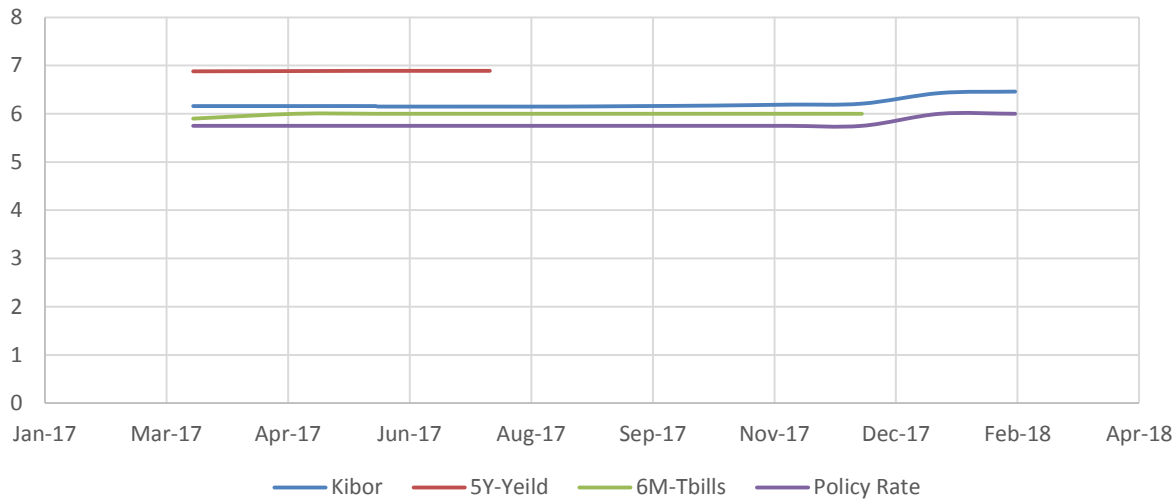
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Money Market Review



Date	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18
6M Kibor	6.16	6.16	6.16	6.15	6.15	6.15	6.16	6.17	6.19	6.21	6.43	6.46
6M-TBills	5.90	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0		
5Yrs PIBs yield	6.88	-	6.89	6.89	6.89	-	-	-	-	-		-
Policy Rate	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	6.0	6.0

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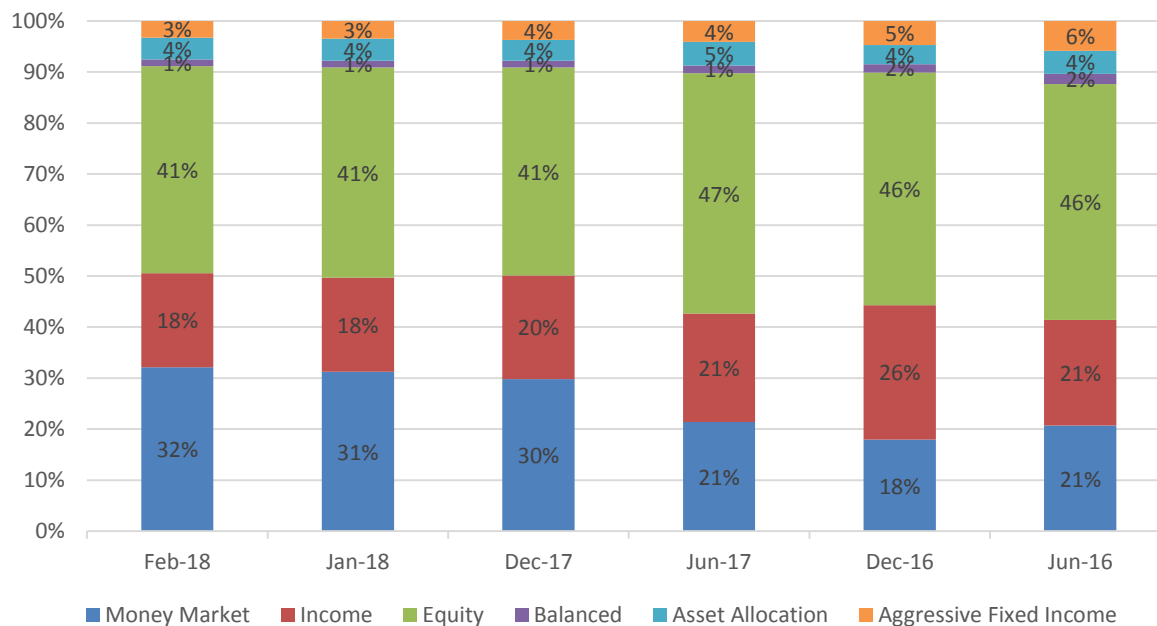
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Category wise Top five AUMs



	Feb-18	Dec-17	June-17	Dec-16	June-16
Money Market	32%	30%	21%	18%	21%
Income	18%	20%	21%	26%	21%
Equity	41%	41%	47%	46%	46%
Balanced	1%	1%	1%	2%	2%
Asset Allocation	4%	4%	5%	4%	4%
Aggressive Fixed Income	3%	4%	4%	5%	6%

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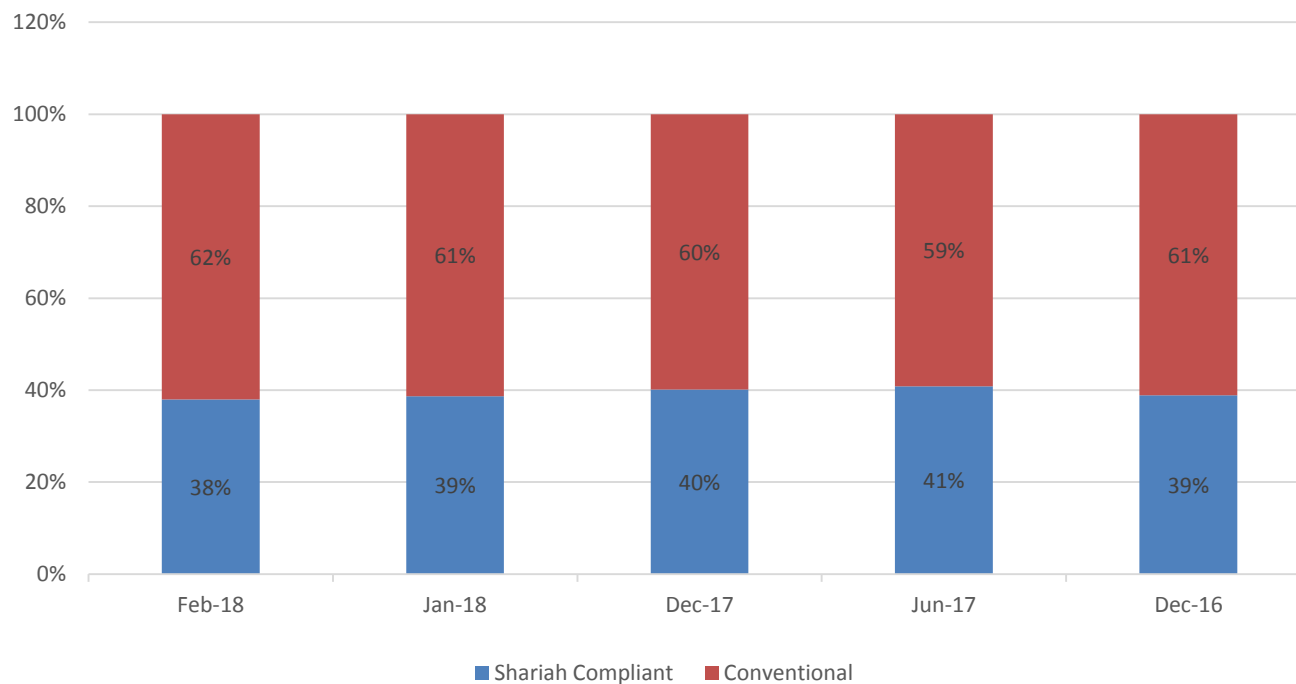
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Islamic v/s Conventional



(PKRbln)	Feb-18	Jan-18	Dec-17	Jun-17	Dec-16
Shariah Compliant	217	222	216	232	223
Conventional	354	352	322	336	350

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No. of funds in top categories

	Feb-18	Jan-18	Dec-17	Dec-16	Dec-15
Income	29	29	29	29	29
Shariah Compliant Equity	23	23	23	23	23
Money Market	22	22	22	22	22
Equity	22	22	22	22	22
Asset Allocation	12	12	12	12	12
Aggressive Fixed Income	07	07	07	07	07
Balanced	06	06	06	06	06

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Market Share

		Feb-18		Jan-18		Dec-17	
AMC	Rating	Total (PKRmln)	Mkt.sh	Total (PKRmln)	Mkt.sh	Total (PKRmln)	Mkt.sh
Meezan	AM1	84,166	14.8%	86,058	15.0%	81,597	15.1%
UBL	AM1	62,636	11.0%	62,407	10.9%	59,930	11.1%
NAFA	AM1	95,556	16.8%	96,998	16.9%	89,517	16.5%
MCB-AH	AM2++	47,200	8.3%	46,839	8.2%	44,295	8.2%
NIT	AM2++	89,871	15.8%	91,885	16.0%	84,818	15.7%
Allied	AM2++	38,892	6.8%	37,709	6.6%	38,137	7.0%
Alfalah	AM2+	26,289	4.6%	26,661	4.7%	25,594	4.7%
Atlas	AM2+	30,248	5.3%	29,556	5.2%	27,575	5.1%
HBL	AM2+	38,621	6.8%	39,416	6.9%	38,077	7.0%
Lakson	AM2+	17,405	3.1%	17,519	3.1%	16,670	3.1%
JS	AM2	11,784	2.1%	11,955	2.1%	11,538	2.1%
AKD	AM3++	4,563	0.8%	4,180	0.7%	3,903	0.7%
Primus	AM3+	1,946	0.3%	1,921	0.3%	1,700	0.3%
Habib	AM3+	3,239	0.6%	3,163	0.6%	3,223	0.6%
Faysal	AM3	8,146	1.4%	8,154	1.4%	8,178	1.5%
BMA	AM3	196	0.0%	1,90	0.0%	224	0.0%
Pak Oman	AM3	7,252	1.3%	7,011	1.2%	6,167	1.1%
First Cap	AM4++	166	0.0%	172	0.0%	162	0.0%
786 Investments	Unrated	695	0.1%	699	0.1%	657	0.1%
Total (PKR mln)		568,873		572,494		541,963	

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AMC Industry | Flow Analysis

					PKRmn
Dec-17	Flow Analysis				
	Dec-16	Dec-17	Difference	Return	Mobilisation
Money Market	62,865	96,033	33,168	5,136	28,032
Income	101,355	65,638	-35,717	4,223	-34,477
Equity	140,436	131,085	-9,351	-12,454	3,103
Asset Allocation	12,859	13,440	580	-710	-1,290
Islamic Equity	91,370	75,199	-16,171	-8,042	-8,128
Islamic Asset Allocation	15,654	29,727	14,073	-2,194	16,268
Total	424,539	411,122	-13,418	-14,041	3,508

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Bibliography

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